



Health Services

LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

December 24, 2013

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTIFICATION OF A SOLE SOURCE PURCHASE
ORDER REQUEST TO INTERNAL SERVICES
DEPARTMENT FOR APPORTIONMENT
CONSULTING SERVICES**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

This is to advise the Board that the Department of Health Services (DHS) is submitting a request to the Internal Services Department (ISD) as the County's Purchasing Agent to issue a sole source Purchase Order (PO) to Dr. Lawrence J. Rudd, MD, JD, for intermittent apportionment consulting services, at a cost not to exceed \$100,000.

DHS is required to make accurate and timely reports to the California State Medical Board regarding settlements of medical malpractice litigation against the County. Section 801.01 of the California Business and Professions Code requires reporting of medical malpractice judgments and settlements made on behalf of a health care organization including apportioning the amount of dollars paid to each of the providers named or alleged in the lawsuit. DHS Policy 311.3 requires this apportionment process to be conducted by an attorney who is also licensed as a medical doctor.

In June 2009, DHS established a Board Master Agreement to obtain prequalified apportionment consultants at a fixed hourly rate capped at \$225. At one time there were two consultants with Master Agreements, but at this time there are no consultants under contract. The pool of interested and qualified consultants is very limited due to the highly specialized level of experience and educational requirements and almost all MD-JD's work as plaintiff's lawyers, and as such, they were not appropriate for the position. In addition, it appears that the \$225 hourly rate is limiting our ability to retain contract consultants as the typical hourly rate is \$450.

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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County Counsel conducted a search for potential qualified consultants and Dr. Rudd is the only qualified physician/attorney who is available and willing to take on a County contract. Dr. Rudd has been interviewed by DHS administration and County Counsel and we believe that he is very well qualified to provide apportionment consulting services to DHS. He is a physician who has been on faculty at UCLA and is an attorney with litigation experience. Over the last several years he has also worked successfully as a mediator. Dr. Rudd's background in medicine and litigation and his vast experience in mediation will make him a good consultant for mandated reporting issues. More importantly, he has been a faculty member at a teaching institution (UCLA Medical School) and is thus intimately familiar with the dynamics and issues regarding such institutions – issues that DHS deals with repeatedly in making apportionment decisions. He appears to have a good understanding of supervision of students, interns and residents, and the responsibilities of attending physicians and also understands how system issues apply to large public health facilities and teaching hospitals. Dr. Rudd has agreed to discount his hourly fee for the County of Los Angeles to \$300. The PO terms will be set at an hourly fixed fee of \$300 through June 30, 2014. Meanwhile, DHS will work with ISD to solicit and recruit a pool of additional qualified Consultants for future multiple year POs.

If you have any questions or require additional information, please let me know.

MHK:eh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department